

ORIGINAL

OPEN MEETING ITEM



0000095328

COMMISSIONERS
KRISTIN K. MAYES - Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP



MICHAEL P. KEARNS
Interim Executive Director

ARIZONA CORPORATION COMMISSION

DATE: APRIL 10, 2009

DOCKET NOS: W-20453A-06-0247; W-20454A-06-0248; W-20453A-06-0251;
W-20454A-06-0251; W-01646A-06-0251; W-01868A-06-0251;
W-02235A-06-0251; W-02316A-06-0251; W-02230A-06-0251;
W-01629A-06-0251; and W-02240A-06-0251

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Jane Rodda.
The recommendation has been filed in the form of an Order on:

NORTHERN SUNRISE WATER COMPANY
and SOUTHERN SUNRISE WATER COMPANY
(EXTENSION OF TIME DEADLINE
CONTAINED IN DECISION NO. 68826)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of
the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions
with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

APRIL 20, 2009

The enclosed is NOT an order of the Commission, but a recommendation of the
Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively
been scheduled for the Commission's Open Meeting to be held on:

APRIL 28, 2009 and APRIL 29, 2009

For more information, you may contact Docket Control at (602)542-3477 or the Hearing
Division at (602)542-4250. For information about the Open Meeting, contact the Executive
Director's Office at (602) 542-3931.

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MICHAEL P. KEARNS

INTERIM EXECUTIVE DIRECTOR

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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice
phone number 602-542-3931, E-mail SABernal@azcc.gov

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 KRISTIN K. MAYES - Chairman
4 GARY PIERCE
5 PAUL NEWMAN
6 SANDRA D. KENNEDY
7 BOB STUMP

8 IN THE MATTER OF THE APPLICATION OF
9 NORTHERN SUNRISE WATER COMPANY
10 FOR A CERTIFICATE OF CONVENIENCE
11 AND NECESSITY TO PROVIDE WATER
12 SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20453A-06-0247

13 IN THE MATTER OF THE APPLICATION OF
14 SOUTHERN SUNRISE WATER COMPANY
15 FOR A CERTIFICATE OF CONVENIENCE
16 AND NECESSITY TO PROVIDE WATER
17 SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20454A-06-0248

18 IN THE MATTER OF THE JOINT APPLICATION
19 OF NORTHERN SUNRISE WATER COMPANY
20 AND SOUTHERN SUNRISE WATER COMPANY
21 FOR THE APPROVAL OF SALE AND
22 TRANSFER OF WATER UTILITY ASSETS,
23 AND CANCELLATION OF CERTIFICATES
24 OF CONVENIENCE AND NECESSITY, FOR
25 MIRACLE VALLEY WATER COMPANY,
26 COCHISE WATER COMPANY, HORSESHOE
27 RANCH WATER COMPANY, CRYSTAL WATER
28 COMPANY, MUSTANG WATER COMPANY,
CORONADO ESTATES WATER COMPANY,
AND SIERRA SUNSET WATER COMPANY,
LOCATED IN COCHISE COUNTY, ARIZONA.

DOCKET NOS. W-20453A-06-0251
W-20454A-06-0251
W-01646A-06-0251
W-01868A-06-0251
W-02235A-06-0251
W-02316A-06-0251
W-02230A-06-0251
W-01629A-06-0251
W-02240A-06-0251

DECISION NO. _____

ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 68826

23 Open Meeting
24 April 28 & 29, 2009
25 Phoenix, Arizona

26 **BY THE COMMISSION:**

27 * * * * *

28 Having considered the entire record herein and being fully advised in the premises, the

1 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

2 **FINDINGS OF FACT**

3 **Procedural History**

4 1. In Decision No. 68826 (June 29, 2006) the Commission approved the joint application
5 of Northern Sunrise Water Company ("NSWC") and Southern Sunrise Water Company ("SSWC")
6 (collectively "Applicants") for a Certificate of Convenience and Necessity ("CC&N") to provide
7 water utility service in Cochise County as well as the sale and transfer of water utility assets and
8 cancelation of the CC&Ns of Miracle Valley Water Company, Inc., Cochise Water Co., Horseshoe
9 Ranch Water Company, Crystal Water Company, Mustang Water Company, Coronado Estates Water
10 Company and Sierra Sunset Water Company (collectively "McLain Water Systems").

11 2. Decision No. 68826 ordered, *inter alia*, the Applicants to make certain system
12 improvements by August 28, 2007, and to file a rate case in 2008 using a 2007 test year.

13 3. On May 30, 2007, the Applicants filed a Motion for extension of time to complete the
14 system improvements until February 19, 2008, and to file a rate case no later than December 31,
15 2008, utilizing a June 30, 2008 test year.

16 4. By Procedural Order dated August 16, 2007, Applicant's Motion for extension of time
17 was granted.

18 5. On February 14, 2008, the Applicants filed a second Motion for extension of time to
19 complete the system improvements until December 31, 2008, and to file a rate case no later than
20 April 1, 2009, utilizing a December 31, 2008, test year.

21 6. By Procedural Order dated April 21, 2008, the second Motion was granted.

22 7. Applicants subsequently completed all of the required system improvements.

23 8. On February 23, 2009, Applicants filed a third Motion for extension of time to file a
24 rate case until no later than August 31, 2009. Applicants state that they are requesting the extension
25 in order to file the NSWC and SSWC rate cases concurrently with an upcoming rate case filing for
26 Bella Vista Water Company ("BVWC"), an affiliated, and neighboring water company. The parent
27 of BVWC and NNSW and SSWC is seeking to eventually consolidate the three companies into a
28 single service provider and believes that utilizing the same filing date and test year for all three would

1 be beneficial.

2 9. On March 12, 2009, Intervenor Stephen Cockrun filed a Response to the Applicants
3 request for more time. Mr. Cockrun has no objection to the granting of the request, but expressed
4 doubts that the consolidation of the three companies would be in the long-term public interest. Mr.
5 Cockrun advocates that the applications for general rates should be separate from any application for
6 consolidation. However, he does not object to a concurrently filed application for consolidation.

7 10. On April 3, 2009, the Commission's Utilities Division ("Staff") filed a Memorandum
8 in Response to the Applicants' third Motion for extension. Staff states it does not object to the
9 Applicants' request to file the rate case no later than August 31, 2009, utilizing a March 31, 2009 test
10 year. Staff states further that it desires to make certain that NSWC and SSWC provide all required
11 information utilizing the March 31, 2009, test year, so that the most current information is filed in the
12 rate case. Staff recommends that the rate case filing, utilizing a March 31, 2009 test year, not be
13 made sufficient if any of the comparative years utilized in the rate case filing do not also utilize a
14 March 31st year end.

15 11. Staff further recommends that no further time extensions be granted in this matter.

16 12. Staff's recommendations are reasonable.

17 13. The Applicants' request for another extension of time to file a rate case for the NSWC
18 and SSWC will not prejudice ratepayers, and should be granted.

19 14. In granting this extension request, nothing herein affects any future application for
20 consolidation of these affiliated water companies.

21 CONCLUSIONS OF LAW

22 1. NSWC and SSWC are public service corporations within the meaning of Article XV
23 of the Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

24 2. The Commission has jurisdiction over NSWC and SSWC and the subject matter of the
25 request.

26 3. The requested extension of time is reasonable and should be approved.

27 ...

ORDER

IT IS THEREFORE ORDERED that the deadline for Northern Sunrise Water Company and Southern Sunrise Water Company to file rate cases, as required in Decision No. 68826, is extended to August 31, 2009, utilizing a test year end of March 31, 2009.

IT IS FURTHER ORDERED that in order for the rate cases filed pursuant to this Order to be found sufficient under Commission rules, Northern Sunrise Water Company and Southern Sunrise Water Company must utilize a March 31st year end for all comparative years' information utilized in the rate case filings.

IT IS FURTHER ORDERED that all other provisions of Decision No. 68826 shall remain in effect.

IT IS FURTHER ORDERED that no additional extensions of time shall be granted absent extraordinary circumstances.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, MICHAEL P. KEARNS, Interim Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, his ____ day of _____, 2009.

MICHAEL P. KEARNS
INTERIM EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

1 SERVICE LIST FOR: NORTHERN SUNRISE WATER COMPANY and SOUTHERN
2 SUNRISE WATER COMPANY

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